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INDIAN
PAUPERISM, FREE TRADE,
AND
RAILWAYS.

A Paper Read

BEFORE

THE EAST INDIA ASSOCIATION,

BY

A. K. CONNELL, ESQ., M.A.

ON

TUESDAY, MARCH 18, 1884.

"Our Indian Government is in its best state a grievancee. It is necessary that the correctives should be uncommonly vigorous; and the work of men, sanguine, warm, and even impassioned in the cause. But it is an arduous thing to plead against abuses of a power which originates from your own country and affects those whom we are used to consider as strangers."—*Burke*.

"I must say that it is my belief that if a country be found possessing a most fertile soil, and capable of bearing every variety of production, and that notwithstanding the people are in a state of extreme destitution and suffering, the chances are that there is some fundamental error in the government of that country."—*J. Bright*.

"It has often happened that the construction of public works in India has involved the Government of that country in very grave financial difficulties. When the return upon the works is not sufficient to pay the interest on the loans raised for their construction, the deficit has to be made good by an increase in general taxation; and in a country such as India, where the mass of the people are extremely poor, and where the sources of the taxation are very limited, it is almost impossible to exaggerate the harm that may be done, if it becomes necessary to resort to increased taxation."—Professor Fawcett's *State Socialism*.

EAST INDIA ASSOCIATION, 26, CHARING CROSS, S.W.

1884.

INDIAN PAUPERISM, FREE TRADE, AND RAILWAYS:

" A lie is as good as the truth, and the truth is reckoned a lie,
The offender escapes whose witness is strong in his perjury ;
They have opened their roads, and run their trains, and distress is in all the land,
The nobles break stones for their living and the mean have the upperhand."
*Oudh Popular Ballad.**

It is to be feared that, after the keen excitement caused by the Ilbert Bill controversy, the English public will sink into an abnormally stolid state of indifference to Indian affairs. And Parliament, which, under the most favourable circumstances can hardly get a quorum together to listen to the annual survey of Indian finances, is only too certain, under the growing pressure of home and foreign questions, to give but scant attention to casual debates, even though they raise issues vitally affecting the welfare of 250 millions. And yet no one who has carefully followed the utterances of the Native Press of India during the past year, when many secrets of the heart have been revealed, can have failed to see that the outcry excited by native agitators derived a large part of its significance from their ability to appeal to feelings, which are widely spread throughout our Indian Empire. Without the stimulus of the native papers these feelings might have for a long time remained inarticulate, but there can be no doubt that, as it is, native writings are gradually evoking a spirit of criticism which, whether we like it or not, constitutes a new force in Indian politics.

Anglo-Indian officials are naturally proving rather restive, while the sores of English Rule are being probed, and some would gladly see a Gagging-Act passed. But few would deny that it is highly desirable that the British Parliament, which ultimately controls the

* Current in 1880, and translated for me by an Anglo-Indian friend. It is obvious that no country can support an alien bureaucracy and a native aristocracy. The cost of this double unproductive burden is too heavy. Hence the gradual decay of the smaller native gentry where the European staff is increased beyond an absolutely necessary minimum. The disappearance of the landed gentry makes local self-government very difficult to work.—See Blue Books on Local Self-Government.

policy of the Indian Government, should know what educated natives have to say as to the principles on which India has been governed since the abolition of the East India Company. One of the gravest charges brought against that Company in the debates of 1853 was that it had failed to give India all the appliances of Western civilization; and although this charge was less strongly urged in 1858, yet there can be no doubt that the desire of the mercantile world to open up the country was as powerful a factor in the final decision of Parliament, as the desire of statesmen like Sir George Lewis to abolish the dual control, and make Parliament directly responsible for Indian administration, and supreme over pro-consular annexationists. Anyhow, since 1858 the chief aim of English policy has been to develop India on the lines of Western civilization; and it is most important that we should look at the results of this policy not merely from the outside point of view of our own commercial interests, but from that of the natives themselves, whose daily lives are being touched to their very centre by the pressure of Western forces. Enlightened natives may be quite willing to recognize the magnitude of the striking material changes recently effected; but they are at the same time painfully conscious of the less obvious consequences of those changes, and they are very much inclined to dispute whether the moral welfare of India as a whole has been at all advanced by this enforced progression. To make one extract from the Native Press. This is what an Anglo-Marathi* Weekly writes *à propos* of agricultural banks:—"This vast and constant discontent, by making the backbone of our population constantly hateful of life, might incite them to some things of which we have already had but a faint foretaste in the Deccan and the Poona riots. Let the appearances of our so-called civilization be as glowing as possible, let our land be laid throughout with electric telegraph and railways, let our ports be crowded with shipping, yet so long as the majority of our people is groaning with poverty and distress, we are not only not civilized, but we are as it were standing on a mine, the more treacherous because covered with a screen of solidity." It is such outspoken language as this that ought to make us consider whether we are not forcing India to move at a pace, which may end in the deepest disaster. And this is especially the moment for a searching of heart, because very great pressure is now being put on the Indian Government and the India Office to further accelerate the pace. Manchester cotton-spinners, Liverpool ship-owners, London capitalists

* I might quote similar sentiments from *The Voice of India's* résumé of native opinion.

and Middlesborough iron-masters are vigorously urging the India Office authorities to stimulate the foreign trade of India by a more rapid construction of railways.

This session a Committee of the House of Commons has been appointed to consider whether the resolution limiting the capital outlay on Productive Public Works in India to two and a half millions sterling a year is to be rescinded. And there is great danger that the self-interested clamours of some few powerful commercial classes in England will be allowed to drown the voices of the unrepresented millions of India. The history of that country since 1858 only too strongly illustrates the truth of J. S. Mill's warning in the petition presented to Parliament by the East India Company:—"It cannot be expected as a rule that a minister should himself know India, while he will be exposed to perpetual solicitations from individuals and bodies, either entirely ignorant of that country, or knowing only enough of it to impose on those who know still less, and having very frequently objects in view other than the interests or good government of India. The influence likely to be brought to bear on him through the organs of public opinion will, in the majority of cases, be equally misleading. The public opinion of England, itself necessarily unacquainted with Indian affairs, can only follow the promptings of those who take most pains to influence it, and those will generally be such as have some private interest to serve." Those who have studied most closely the treatment of Indian affairs by Parliament since 1858 are aware how completely Mill's prophecies have been fulfilled, and how very far from the truth is the recent assertion of Professor Seeley,* that "the very appearance of a selfish object in our administration of India is gone." The fact is that the essential conditions of our present method of administering Indian affairs are such that it is impossible for the most benevolent intentions to be realized. On the one hand, in India, there is an alien bureaucracy† which, however able, high-minded, and hard-working, is always tempted by the force of its own ideas and wishes to overlook the ideas and wants of the natives, to favour a showy rather than a useful policy, to identify its own obvious interests with the less obvious interests of the people committed to its charge, to foster the growth of the State revenues rather than that of private fortunes, and to regard the creation of a department as the salvation of an empire. On the other hand, in

* *The Expansion of England*, pages 260 and 269.

† District officers, most appreciative of native wants and ways, are sure to be over-ruled by high officialdom, and yet it is *their* personal influence that it is the real safeguard of our Indian Empire.

England is to be found a variety of powerful commercial classes, concentrated chiefly in Lancashire, naturally desirous of pushing their respective trades, using all their political interest to coerce Parliament, and not over sensitive, so long as their objects are attained, as to the means which are to be employed.* Lastly, there is the Indian Council, composed of Anglo-Indian officials, who are supposed to be the pre-eminent protectors of the interests of India, but who in many cases are merely the staunch champions of their own hobbies, which behind the screen of a council-chamber, and without any check from public criticism they are able to ride to death. It is under such conditions that the "Productive Public Works" scheme has been carried out, and an enormous foreign debt foisted upon India. Armed with military, political, and commercial arguments of unquestionable—because unquestioned—weight, Simla and Manchester, Calcutta and Liverpool have met and kissed each other, while the criticism of the Indian Council has taken the form of a battle over guarantees and gauges. The one point which ought to have been considered, and seems to have been but slightly considered, is the effect of the foreign debt on the pocket of the Indian taxpayer, and of railway construction on the welfare of "the dumb labouring masses." It is the condition-of-the-people-question that is now attracting the attention of the Native Press, and it ill-becomes English statesmen to attempt to salve India's sores by hollow phrases, such as "the blessings of Free Trade," "the development of resources," "the boon of cheap British capital," and "the flourishing nature of the foreign trade," if the people of India declare that all the while a sword is being gradually thrust into their very bowels. Already the circulation and nervous system of a delicately adjusted social organism has been seriously damaged, and various remedies have been tried, while here and there are apparent unmistakable symptoms of death by inanition. The sword has been forged in England, but it is driven home by the Indian Government. It is the sword of the capitalist—the railways. Let us proceed to examine their financial and economic results.

* Mr. J. Slagg, M.P., has recently proposed the appointment of a Standing Committee of the House of Commons for Indian Affairs instead of the Indian Council. This appears to be an excellent suggestion. Parliament at present interferes spasmodically, without adequate information, and under the pressure of certain commercial interests, whereas it ought to exercise a continuous control, based on complete knowledge, and with an eye to India more than Lancashire. The renewal of the East India Company's Charter always led to a thorough inquiry.

The following figures are taken from Colonel Stanton's Report on Indian Railways for 1882-83 :—

Class of Railway.	Capital.	Interest.	Net traffic receipts.	Gain or Loss to State.	Arrears of interest.	Miles open.
(a)	£	£	£	£	£	
(1) Guaranteed .	69,135,650	3,275,280	3,043,900	— 231,380	28,086,400 [Surplus profits since 1880, 4,452,703]	4708
(2) East Indian .	37,354,248	1,706,900	2,598,050	+ 891,150	4,623,786	1506
(3) State . . .	31,378,108	1,226,636	1,050,450	— 176,186	4,623,786	3598
(c)	4,134,147					
(4) Frontier . .	advanced from revenue.	—	Included in the above.	—	—	Included in above.
(d)	2,995,733	About 120,000				
(5) Native States			Not given for all.	Not given.	Not given.	503
(6) " Protective "	About 400,000 advanced from Famine Insurance Fund.	—	Under construction.	—	—	—

(a) *i.e.* Madras, Great Indian Peninsula, Bombay, Baroda and Central India, Eastern Bengal, Sind, Punjab and Delhi, Oudh and Rohilkhund. Of these the Eastern Bengal pays 10·52 per cent., and the Great Indian Peninsula 7·29, and the Bombay, Baroda and Central India 5·91 per cent. on their borrowed capital, but not on capital advanced by the State in the shape of interest. Also free grants of land ought to be added to the capital.

(b) Purchased by the State in 1880. £27,623,386 will be redeemed in 1953.

(c) *i.e.* Punjab, Northern, Indus Valley, and Candahar.

(d) The Nizam's line does not nearly pay its way. The Indian Government has been urging its extension under a 6 per cent. guarantee.

It is obvious from the above figures that the official contention that Indian railways are now paying their way is very far from justifiable. In the first place the arrears of interest advanced by the State out of taxation now reach the sum of £32,710,186* and, if compound interest

* *i.e.* Guaranteed railway £28,086,400; State railways £4,623,786. The surplus

were charged since 1850, this sum would be largely increased. In the second place since 1876-77 there has been a heavy "loss by exchange" on all the home remittances, and of these the payments to railway investors have made up about one-third. It will therefore be found on examination of the railway accounts that against the increased earnings of the railways during the last four years, there is a serious set-off of at least £1,000,000 a year, so that there is still an annual deficit of about £1,400,000 on the State and Guaranteed lines.

If we add over £4,000,000 to the arrears of interest, we arrive at the sum of £37,000,000 (without counting compound interest) as the total loss to the State, that is to the Indian taxpayer, since the beginning of railway construction, and this amount is year by year being steadily swollen in consequence of the continued depreciation of the rupee. These items of past interest charges, and loss by exchange are persistently ignored by those who advocate the construction of more railways.* Or if they do recognize them, they maintain that

profits of East Indian Railway since 1880 are about equal to capital outlay on "frontier" and "protective" lines, the latter constructed out of the Famine Insurance Fund. The report of Mr. Goschen's Silver Committee showed that the whole question of "loss by exchange" is closely connected with the railway debt, which has so largely increased the home remittances. The railways are therefore responsible for the greater part, if not all, of the "loss by exchange," over £3,000,000 a year since 1879.

Mr. W. Fowler, M.P., in *The Nineteenth Century* of February, compares American and Indian railways, but he ignores two great differences. (1) A large amount of railway capital has been "dropped" in America, whereas the Indian Government can never get rid of its bad ventures. (2) American companies recoup themselves from their blocks of land, and can therefore afford cheap rates. This is not possible in already settled Indian districts, and to unsettled districts the Indian ryot does not readily migrate. The migrations from the North-West Provinces to the Central Provinces during the famine of 1877, took place *by road*.

* One of the new lines now being constructed is parallel to the River Gogra, in Oudh; and another, the South Mahratta line, is parallel to the West Coast. In both these cases, as in that of the Indus Valley line, the native carrier by river and sea will be undersold by protected railway competition. The part of India to which the arguments for railway construction seem most applicable is the Eastern part of the Central Provinces, where wheat is now quoted at five to six shillings a quarter. The three districts of Bilaspur, Raipur and Sambhalpur have an area of 39,761 square miles. Of this about 10,000 are non-cultivable, 15,747 are cultivable waste, and about 13,253 are cultivated. The population, according to the last census, is 4,612,705, Sambhalpur being one of the most populous parts of the Central Provinces with from 113 to 198 persons to the square mile. About 85 per cent. of the cultivated area is under grain crops, rice, wheat and millet, and the average out-turn in rice varies from 361 to 660 lb. per acre, and in wheat from 300 to 400 lb. The present price of wheat after a good harvest gives us no criterion of the exportable surplus after the population is fed, but to speak, as Mr. Fowler does, of these districts as exporting in the future 10,000,000 quarters a year, is to talk sheer nonsense. No doubt there is room for reclamation and intenser cultivation, but the latter presupposes, under the *petite culture* system of India, a denser population which will require more food—an elementary fact of which it ought to be hardly necessary to remind a Member of Parliament who speaks of a teeming population. At present there is no doubt that the peasantry in these districts are

railways can be built more cheaply now, and that increased exports will "appreciate" the rupee. In reply to them it may be pointed out that the railways already built occupy the best trade routes, and, as far as the experience of the last four years goes, the increase of the export trade has not appreciated the rupee, the reason being, as we shall see later on, that the greater portion of the profits of the foreign trade are absorbed by English traders and the Indian Government, and hence the demand for silver remittances does not increase, as might be anticipated.

An analysis of the receipts of the railways shows that about two-thirds are derived from goods' traffic. Of this amount about half is made up of receipts from rice, wheat, seeds, cotton (raw and manufactured) and coal. The rest is yielded by salt, tea, coffee, hides, indigo, sugar, metals, opium, and a large number of smaller articles of trade. The passenger traffic, much stimulated, where possible, by the growing monotony of rural life, yields about four and a half millions sterling a year, the natives paying from three and a half to three and three-quarter millions, and Europeans the rest. Of the earnings of the railways, half is remitted to England in the shape of interest; and of the working expenses, a large portion is paid to English *employés*, and to English iron-masters, miners, and carriage makers. The wage-fund created by the capital outlay has been considerably less than might be supposed. For out of the capital

most prosperous. They make their own clothes, they grow their own food; they have good pasture for their cattle, cheap fuel, and forests to attract rain. A railway will destroy the home weaving, absorb the profits of the carriers, cut down the forests, inflate wages and then depress them, and finally raise the land-tax. In twenty years' time there will most probably be a famine. Why not open up the district with good roads, foster technical and elementary schools, and let the people develop in their own way? The only answer is that Liverpool wants freights, Manchester more cotton-markets, and capitalists and iron-masters say capital and iron are cheap. The first question is, will the railway pay its interest, or is India to be taxed to make up the deficit? I expect the latter will be the case, in spite of the glowing estimates of engineers, and Mr. Fowler's "M.P., largely interested in Indian commerce." And, if it is decided to construct this line, and another North and South through Chota Nagpore, there appears to be no reason why the former should join the East Indian Railway and benefit Calcutta instead of going straight to the sea coast in the direction of Cuttack. Another proposed line is to run through Jhansi and Bhopal, and will probably, if it pays, lessen the profits of the Rajputana and East Indian lines. A third is to open up Assam for the benefit of the tea growers and supersede the natural highway, the Brahmaputra, sufficient for all practical purposes. All these railways are of course estimated by the engineers as certain to pay, but the estimates are obviously "in the air," especially as regards the Mogul Scrai and Chandil line. It is all very well for the Bombay and Calcutta Chambers of Commerce to recommend the expenditure of £20,000,000 a year during the next ten years. They will of course get more trade, and if the lines fail, and "loss by exchange" increases, the burden will be borne, not by them, but the Indian peasantry, who never asked for the lines.

spent since 1850, £49,070,981 for guaranteed lines and £8,156,325 for State lines have been spent in England; while against the capital sum of over £66,000,000 spent in India, there has to be set the home remittances for interest, amounting to £92,000,000 for guaranteed lines and over £8,000,000 for State lines, say £100,000,000 in thirty years, not counting half the surplus profits or four and a half millions sterling. Thus about seven or eight years ago the drain on India due to railways began (the greater portion of the capital being spent), and "loss by exchange followed," home debts having been up to that time paid by the capital placed at the disposal of the India Office.

In considering the economic consequences of railway construction for India as a whole, it is necessary to give a short description of the natural resources of the country and of their distribution before the last quarter of a century.

India, it must never be forgotten, is a vast continent, as large as the whole of Europe *minus* Russia, and containing almost every variety of agricultural product, but deficient, except in the more central parts, of mineral wealth. Along the river valleys the soil is of remarkable fertility, and the best land produces either two crops in one year or three in two years. The chief food of the people is, for the poorer classes, coarse rice, millet, barley, and gram; for the richer, fine rice and wheat.* Cotton is grown all over India, and wool of varying degrees of fineness can be got from the peasantry's different flocks and herds, while the brilliant dyes, for which the country has long been noted, are supplied by indigo and other plants.

The only other necessary required for the support of human life is salt. In India this is supplied in three different ways. There are first the salt lakes and mines of the Punjab and Rajputana, then the salt-pans on the Bombay, Madras, and Bengal coasts; and lastly, in various parts of the interior of Madras, in Mysore, Berar, the North-West Provinces, Oudh, and Behar, there are saliferous earths from which salt of various degrees of purity can be easily scraped together.† Fuel is to be got from the jungle or from dung. It may

* Mr. Fowler says "the consumption of wheat in India is not large." It is true that the poorest labourers do not, as a rule, eat wheat, but in wheat-growing districts the great mass of the cultivators, if not the labourers, eat it. Of the six and a half million tons grown, five and a half million are eaten or stored in India (equalling a year's support of over twenty-two million people.) Wheat in the Punjab is taking the place of barley and gram, the food of the poorest, 349,000 persons died in the famine of 1877. The Indus Valley Railway, which is a charge on the taxpayer of about £400,000 a year, is, according to the latest Administrative Report, throwing out of work the boat-carriers and weavers. Is this Free Trade? Mr. Cross in his Budget speech ignored the loss on "State" lines.

† In the North-West Provinces since 1843. in Oudh since 1857, and in Bengal

therefore he said that each part of India is, or can be, practically self-sufficient for all the necessities of human and animal existence; while the small luxuries consumed in the shape of sugar, opium, and tobacco, if not to be found everywhere, can be easily imported in boats and carts, or on pack-bullocks, ponies, and camels. But there is one serious set-off against this general picture of material plenty, and that is the liability of the country to suffer from drought. Against this calamity the cultivator, when unable to get a permanent water-supply from wells,* tanks, canals, or rivers, has provided from time immemorial by the storage† of grain in air-tight pits or earthenware jars. If war or taxation, levied in excess, or at times of distress, has depleted these stores, then the worst horrors of famine have swept over the land; but, failing these extra drains, it will generally be found‡ that the Indian peasantry has been able to tide

since 1860, the manufacture of salt has been entirely prohibited by the Government, as it is found easier to protect the salt-revenue by an import duty than by an excise. There are also restrictions on salt manufacture in Bombay and Madras. Bengal, and part of the North-West Provinces and Oudh, are now supplied by Cheshire salt. A maund (82 lb.) of salt can be produced on the Bombay, Madras and Orissa sea-shore for about one penny to three-halfpence. The salt-tax is now two rupees a maund, and the Government gets a further revenue from the carriage of salt by the State railways. Sir Evelyn Baring was so impressed with the necessity of using local supplies of salt for animal consumption, that before leaving India he offered a prize to the inventor of any process "by which salt could be rendered so unfit for human consumption that its restoration to an edible condition would be neither easy nor cheap, while it would still remain suitable for use for cattle." The Salt Commissioners' Report of 1856 proves that there are many saliferous districts in the interior, which before the passing of strict salt-laws used to be worked. I see no reason to believe that salt is now cheaper for the mass of the peasantry than it was forty years ago, except in parts of Bengal, where the East India Company's salt monopoly and high tax of three rupees a maund kept prices up. Taking the figures of the above Report, it is clear that in the Punjab, North-West Provinces, Oudh, Bombay, and Madras, salt was cheaper up country in the days of bullock transport than it is now. When the salt-tax was raised forty years ago, transit duties were abolished, but they fell chiefly on luxuries. By the suppression of salt manufacture in Bengal and its restriction in Madras, Cheshire salt-makers have largely benefited. It seems impossible to believe that the cost price of Madras if not of Bengal salt would not be less than that of foreign. But then Liverpool shipowners want an outward freight. Is it not possible to levy an excise on all Indian salt-manufactures, either on the coast or in the interior?

* I have gone into the whole irrigation-question elsewhere (*see Economic Revolution of India*). The village headmen used in old days to watch over the outlying woodland, which supplied fuel and absorbed moisture, but their authority has been suspended too much by the Forest Department.

† In the House of Commons, August 23, Mr. J. K. Cross spoke of the surplus of a good crop being often wasted or being eaten by the weevil-worm. I believe that further inquiry would show that waste, except under very special conditions, only occurs when the population is down with fever, and that the weevil attacks the grain-stores not in pits but in railway sheds.

‡ Dr. Hunter, in his "England's Work in India," p. 21, says that the last famine eyele was not so destructive of human life as that of 1770. But he forgets to mention that the frightful sufferings of the last century were largely due to the rapacity of the East Indian Company's servants, as was proved by Burke. Similarly

over a period of searcity without any very great suffering. The spirit of eharity, deeply engrained in the native heart, has held the village society together, so that even the landless classes—with the exeption perhaps of the very lowest outcasts—have been kept alive by their richer neighbours.

Side by side with the agrieultural pursuits, which have always formed the chief phase of Indian existence, there have been various industrial oeenpations. The potter, the blacksmith, the carpenter, the tanner, and the weaver have each plied their trade and received their share of the agricultural produce, while at the large local centres, where the native nobles have resided, the higher skill of the architect, the jeweller, the enameller, the brass worker, and the like, has always received enlightened patronage. Under the old state of things, the surplus members of the agrieultural class either had to reclaim more land by the aid of the local capitalist, himself generally a leading landowner, or they were enrolled among the retainers and soldiers of the local court, or they went farther afield in search of fresh work.* Thus, though war, or disease, or searcity, or rapacity, might from time to time thin the ranks of the villagers, yet the village organism under the guidance of its chief man or men, was

in 1783 the rack-renting of the Oudh peasantry, caused by Warren Hastings' exactions from the Nawab, turned a year of drought into severe famine. These were not the results of native rule or mis-rule *pure et simple*. For native charity, and grain-storage, see Famine Commissioners' Report.

* Where joint property in land existed, it seems to have acted as a check on over-crowding, but the growth of individual rights, forced on by pressure on the land, destroys this check. Also on poorer soils the payment of rent in kind encouraged fallow land. See Sir J. Caird's *India: its Land and People*. There is no evidence that under native rule there was anything like the wholesale loss of life of recent famines, when over five million persons died, though there were, of course, ever-working physical checks. Against the rapacity of native rulers there always is the check of rebellion and strike of ryots; but if that rapacity is caused, as in the case of Oudh before annexation, by the forced subsidies of the Indian Government, which at the same time lends troops to stop rebellion, then matters must get worse and worse.

The Report of the Education Commission shows how very generally technical and elementary education flourished under native rule, and how much it has suffered during the last half century. The funds required for the support of village and bazaar schools have been absorbed by departments. Elementary education under the supervision of the local Boards, combined with the cheap justice of local Courts for petty disputes instead of the present costly system, would be a strong means of protection to the ryot against any rack-renting landlord or rapacious money-lender, and might dispense with Rent Acts and Relief Bills, especially if the corporate rights of the villagers in the land were maintained as a safeguard against the greed of wealthy individuals. In England we are only just beginning to realize the great loss entailed on villagers by the enclosure of commons, due to the non-substitution of village record of rights for the self-working service-system of the Middle Ages. In Switzerland the enormous value of the *Allmends* has been demonstrated by M. Laveleye. The *communalisation*, not the *nationalisation*, of land appears to be essential to the life of peasant proprietors.

ever ready to renew its life with vigour. The land tax, paid partly in cash and partly in kind, and levied by the rajah or zemindar or local representative of any central power which from time to time grew up, might be heavy in years of plenty, but in years of scarcity it was remitted or suspended, being carefully adjusted to the state of the crops; and the only other taxes were a few bazaar taxes and transit* duties which chiefly affected the consumers of luxuries. Although in old days the roads were not of the Roman type, yet during the dry weather they were not inadequate† to the slow inland trade which went on throughout India, and most of the richer parts of the country, where sugar, opium, and cotton could be grown, were naturally supplied with river communications. Pilgrinages seem always to have been popular. And those who had money to spend, and did not find sufficient recreation in the various village feasts and festivals, or at the native courts, might go to the larger centres of trade, government, and religion.

Such, with intervals of wild anarchy which kept up a martial spirit, had been for centuries‡ the economic life of the immense population of India, divided into all its different trades, castes, and local centres, up to the time when it was thought necessary to open up the country to foreign trade. It is very instructive to read the evidence given before the Parliamentary Committee of 1813 at the time, when the commercial world made its first attack on the East India Company's monopoly. It was pointed out by all the witnesses that India was a country that could supply itself with all

* The Indian Government has for the last forty years set its face against transit duties as violating the principle of Free Trade, but they were not onerous to the mass of the people. The enhancement of the salt tax which has accompanied their abolition is a much heavier burden. Lately all octroi duties have been threatened, as tending to become transit duties. But the life of municipalities is financially bound up with them, as direct taxation is highly unpopular. If Native States are urged to substitute direct taxation, great discontent will be caused. Sir Lepel Griffin, who has recently "shown up" Holkar's transit-duties on Manchester goods, seems utterly oblivious of this aspect of the question. Native States were recently forced to raise their salt-tax. The increasing pressure put upon them to adopt the latest inventions of British rule is gradually taking away all their vitality. Having made them like British provinces, we defend any defects in the latter by pointing to their existence in the former.

† The improvement of road and river communications, also of harbours, by the Government of the time being has always been highly appreciated by the natives. Of late years the smaller ports, e.g., Surat, have been sacrificed to the larger, i.e., Bombay, Calcutta, and Kurrahee, the three railway ports. Orissa, according to Dr. Hunter, had an excellent harbour at the beginning of this century, but in the famine of 1866 it was found impossible for the province to get food during the monsoon. A tenth part of the outlay on railways might have equipped India with all it required for its trade, internal and external alike.

‡ See *Alt-Indisches Leben*, by Zimmer (Berlin, 1879), for a description of Hindu life. Also *India*, by J. S. Cotton (Macmillan & Co.).

it required ; indeed, that so far from requiring English manufactures, it was able to compete with Manchester and Paisley* in the English market, if fairly dealt with. So impressed were the Lancashire merchants with this fact, that after 1813, when the East India Company's monopoly of trade with India was abolished, they forced the English Parliament to retain the heavy import duty on Indian goods, while the Indian Government had to admit Manchester goods almost duty free. But even this piece of high-handed injustice did not enable Manchester to compete with the native weaver up country. It is only during the last thirty years that the latter has been beaten in his own market, and that not by Free Trade, as some suppose, but by the bounty system applied to the construction of railways.

We have seen above what amount of taxation has been entailed on India by the railways, and an examination of the trade statistics of India during the last half century is sufficient to show that it is the railways † that have to a great extent destroyed the home-weaving of Indian villages. Not only is the cotton bought up in large quantities when prices are low at harvest-time, but English goods, the

* "It was stated in evidence that the cotton and silk goods of India up to this period (1813) could be sold for a profit in the English market at a price from 50 to 60 per cent. lower than those fabricated in England. It consequently became necessary to protect the latter by duties of 70 and 80 per cent. in their value, or by positive prohibition. Had this not been the case, the mills of Manchester and Paisley would have been stopped at the onset, and could scarcely have been set in motion even by the power of steam. They were created by the sacrifice of the Indian manufacturers. Had India been independent, she would have retaliated. This act of self-defence was not permitted her. British goods were forced on her without paying any duty, and the foreign manufacturers employed the arm of political injustice to keep down and ultimately strangle a competitor with whom he could not have contended on equal terms."—*Mill's History of India*, vol. vii.

† It was the keen desire of Manchester to get hold of the cotton markets in the interior that in 1853 increased the outcry for Indian railways. All that is now urged about the wheat trade was then urged about the cotton trade. In 1857 the export of cotton (raw) was only £1,437,949, in 1862 it rose to over £10,000,000, and during the American War to over £35,000,000. It is now about £14,000,000. The sudden inflation did no real good to the natives, especially as in Bombay the land-tax was assessed higher. In the Central Provinces the decay of fine weaving dates from this period. The fairest form of taxation in India would be to put a 5 per cent. import duty on English cotton goods, and an excise on Indian mills, so as in some degree to protect the home weaver, hitherto unjustly handicapped. Then the salt-tax could be lowered, and the rich would be reached by indirect taxation. Unfortunately the Indian Government is itself interested in stimulating the railway traffic. In spite of the most careful supervision it has been found utterly impossible to assess fairly the license-tax ; the rich evade it by bribes to the underpaid native officers, and the poor have the whole burden to bear ; district officers' time is taken up, and the yield bears no relation to the trouble and cost of collection. The repeal of the 5 per cent. import on finer cotton goods was a crying injustice to India, whatever Secretaries of State, Conservative or Liberal, may assert to the contrary. An income-tax is fairer than a license-tax.

transport of which is in part paid for by taxation, are able to get to the up-country markets. Forty years ago the cotton (manufactured) imports amounted to only £1,500,000 in value, and in 1850 they were about treble that amount; but in 1861, when about 1000 miles of railway were built, they rose to over £9,000,000, and now, when 10,000 miles have been built, they are valued at £22,000,000.

Under the pressure of Western competition the native weavers are year by year deprived of a larger part of their trade in finer goods; and as the profits of the coarser goods, which they still weave, are not sufficient to keep them, they are obliged to eke out their living by work on the land. But this is only possible in those parts of India where there is still a deficiency of agricultural labour, or room for further reclamation. Where population is as dense* as it is in long-settled districts—viz., 500 to the square mile—there is nothing for the weavers to do but to starve.

In consequence of this change, all the varied intelligence and enterprise, which was called forth by the industrial skill for which India was famous, is being superseded by the dull uniformity of agricultural life, and not all the Exhibitions and Museums in the world are able to aid India to fight against the onset of the economic forces which have been recklessly let loose on her. It is all very well for Lancashire politicians to boast of the cheaper clothes that England now sends to India; they forget all the taxation that is hidden behind the term “cheaper transport,” and they also forget the fact that in years of scarcity it is the native weavers† who have to be supported by charity or on relief works. The best fate that we can hope awaits

* The question of the rate of increase of Indian population is a very difficult one. During the last fifty years large tracts of land have been everywhere reclaimed, and would probably have been in part reclaimed, except perhaps on the Northern frontier, under any government. On fresh land cultivation and population increase together, but in long-settled districts where arts and industries have decayed the population presses too much on the soil, and the waste land, wanted for grazing and fuel, is too small. Madras has suffered greatly from the destruction of its ancient manufactures (see Sir G. Birdwood's *Industrial Arts of India*). Many of the poorer agricultural classes combine some handiwork or carriers' work with work on the land; and if foreign competition, unfairly brought into play, takes away one part of their wage, the rural economy is destroyed. If the labourers are underfed or die off, the land suffers from want of labour. There is no doubt that the loss of the carrying trade starves men and beasts alike. Agricultural operations only occupy about two-thirds of the year; the other third should be spent in subsidiary work.

† It is needless to remark that the export of dyes has accompanied that of cotton. “There is no class which our rule has pressed harder upon than the native weaver and artisan.”—Sir James Caird's *India; the Land and People*, p. 154. The last famine cost over £15,000,000.

them is to be carried off quickly by fever or famine, so that their miseries may be lessened.

But it is not only the weavers proper, that have been hard hit by "improved communications." All the landless classes, and especially the agricultural labourers, even if the latter are still able to get work during a part of the year, find the struggle for existence growing harder year by year as the exports of food increase. Ten years ago the export of rice only reached the value of £4,499,161, and that of wheat the value of £235,645, but in 1882, rice amounted to $8\frac{1}{4}$, and wheat to $8\frac{1}{2}$ millions sterling. A large portion of the increased rice exports is due to the spread of cultivation in Burmah, and is a sign of the growing prosperity of that sparsely-populated Province, but a large portion of the wheat and part of the rice comes from those districts of India, where there are said, by Dr. Hunter, to be "forty millions of people passing through life on insufficient food." The reason why, under such circumstances, food leaves the country, is that at harvest time, when taxes and rents have to be paid, the markets get glutted, prices fall—though still remaining high for the landless man—and the exporter is able, by the help of the railway to hurry off the crops out of the country. The landless classes who only live from hand to mouth, are powerless to hold their own against the capitalist with his quick-working apparatus, and they have therefore to submit to semi-starvation. Nor do the landowners and cultivators get that profit from the grain-trade which might be supposed. Prices have no doubt risen considerably, if they have not doubled during the last thirty years, but local cesses have also been imposed on the agriculturist and in many districts the land-tax proper, especially on the poorer soils, has been considerably raised by re-assessment. Moreover, it is often forgotten that the rise of prices does not raise the value of that part of a crop which the cultivator retains for consumption, but only that part of it which he sells. And the more the land is crowded owing to the loss of industrial occupations, and farms get lessened in size, the larger is that portion of the out-turn of each farm which is required for home-consumption. If we take this fact in consideration, we shall see strong reasons for thinking that, so far from the agriculturist, except in the less densely populated or very fertile parts, getting much profit for the sale of his grain crops, the cost of cultivation, including rent and land-tax, is barely covered by the price realized at harvest time. Let us analyze the figures of the wheat-trade.

In the last Indian financial statement, Sir Evelyn Baring tells us that "this trade may, for all practical purposes, be said to date from the year 1873, when the export duty was removed. In 1881-82, nearly a

“million tons were exported. The great strides made in this trade “during the last few years, are, to a great extent, due to railway “extensions in India, and, so far as the great exports of 1881-2 are “concerned, to deficient crops in the United States.” As to the area under wheat, we are told that “we shall probably not be far “wrong, “if we take twenty-one millions as the total present acreage. The great “wheat-fields are in the Punjab, the North-West Provinces, Oude, “and the Central Provinces. Bombay, Berar, and Bengal also grow “wheat extensively though in smaller quantity.” The average out-turn is estimated at about 700 lb. to the acre, as against 1500 lb. for English, and 850 lb. per American acre. “At this rate of yield, the total “out-turn would be $6\frac{1}{2}$ million tons, of which it may roughly be said “that about one million tons are available for export.” As regards the possibility, asserted by some authorities, of doubling the amount available for export, Sir Evelyn Baring confesses his inability to give any opinion, which is more than conjecture. But it may be pointed out that any estimates, based on an increased yield per acre of land already cultivated, or on the large amount of land still to be brought under cultivation, are apt to be very misleading. The truth is that all the best land in India already produces either two crops in the year or three crops in two years, and the out-turn of wheat*—a cold weather crop—cannot therefore come up to the average out-turn of English or American farms, and there is reason to fear that for well-irrigated, but badly-manured soil, wheat will before long prove to be too exhaustive a crop to be grown without intermission. Further, the system of *petite culture*, which is universally adopted in India (the farms varying from three to five acres in the densely-populated, to twenty acres in the sparsely-populated districts) cannot yield the same exportable surplus as the system of *grande culture* on farms of eighty acres and upwards, worked to a great extent by labour-saving machinery. If America were as crowded as India is, there would be little wheat to export. How, then, it may be asked, has the Indian wheat trade recently reached such large dimensions? The answer is not far to seek. Railways, increased home remittances, and taxation working together have given it an artificial and undesirable stimulus. To

* Sir J. Caird speaks of the possibility of getting more out of the less fertile soils, but that depends on wells and a larger supply of manure, and that on better cattle, and that on more fodder (and salt) for the cattle, and that on a lighter land tax on inferior land, and less pressure of population on the soil, and generally the accumulation of capital in the country. It is difficult to say what amount of land bears two crops, as it varies from year to year. A double crop is more common in the best parts of the North-western Provinces, Oudh, and Bengal than in the Punjab. Land assessments, when putting a tax on fallow and pasture, undesirably stimulate reclamation. The culture in parts of India, is said to be falling off.

explain. The total value of wheat exports amounted in 1881-82, a most flourishing year, to $8\frac{1}{2}$ millions sterling. Of this sum about one-third, say £2,800,000, represents the railway, &c., charges* for carriage, over distances varying from 400 to 1000 miles. The value of the wheat up country is therefore about £5,700,000 for nearly 20,000,000 cwt., but of this the cultivator at harvest time receives less than £4,500,000 on (at about 50 lb. for one rupee). The total amount grown, is estimated at 130,000,000 cwt. on an area of 21 million acres. If we divide the area into 10-acre † farms, each with a family of five to support, 25,770,000 cwt. will be required for half a year's food, at an average yearly consumption of 550 lb. a head—a distinctly small allowance. There will remain about 104,230,000 cwt. to sell at about four shillings and sixpence per cwt., a fair harvest price. The cost of production, including rent, of the whole crop (*see official correspondence in The Times of India*, October 19th) is rather more than two-thirds (deducting cartage) of the value of the whole crop, or about £21,900,000. Deducting this sum from the value of the saleable surplus (£23,450,000) there remains £1,550,000. Clothes, at one rupee a head for half a year, will cost over £1,000,000, and salt £160,000. There remains therefore £400,000, or less than one shilling a head.

But we have yet to provide another half-year's food, salt, and clothes. There are three possible solutions to the problem. (1) each farm may yield much more ‡ wheat than is estimated, or it may

* A quarter of wheat costs about 14s to produce (at 14 annas for a bushel of 60 lb.), the price at the railway station being about 19s (or 20s), and the carriage, by cart being on an average 3s. The margin of possible profit to the grower is, therefore, very small. Railway charges, &c., for 600 to 700 miles are 7s to 8s, and freight, &c. to England about 12s. Hence it is obvious that a large part of the profits go to Englishmen. It would be better for India, as a whole, to have a larger supply for home consumption. The exporter profits by "the exchange."

† I have somewhat overrated the average size of farms, which is nearer seven acres a family than ten, and a family is very often larger than five persons, as, where there is no poor-relief system, aged relatives have to be supported. If there are no stores of grain, the State has to relieve them in time of famine. The Famine Insurance Fund is the beginning of the English poor-law principle, and its usually demoralizing consequences will no doubt ensue. Sir J. Caird speaks of its light incidence per head. But why produce the conditions that force its introduction? Irish relief-works should be a warning to us. The remedy of emigration is not likely to be applicable for years to come in India, though popular education might increase the mobility of the people.

‡ If we raise the total out-turn, still more if we assume the existence of a second crop, we must pre-suppose some further outlay, though not equal to that already estimated. The cheaper grains are reared less carefully, and a small area of valuable crops can be worked by the cultivator and family. In the above estimates, which are necessarily somewhat tentative, I have allowed nothing for storage. On a ten-acre farm in the Punjab, I think the way in which a farmer lives is as follows:—Nine acres yield food crop of some sort, say three wheat, three barley and gram, and three coarse grain. Put the average total out-turn at 8100 lb. The culti-

yield a second coarse grain crop, (2) a part of it may yield a valuable non-grain crop such as sugar, linseed, opium, vegetables, indigo and the like, (3) the cultivators family may be half-starved. Which ever alternative we accept—and each is, I believe, applicable to different districts—it is clear that there cannot be any room for a large increase in the export of wheat, without seriously trenching on the food supply of the country. Wheat may, as recently in the Punjab, take the place of barley and gram, the food of the poorest classes, but this does not mean a larger out-turn in proportion to the whole population but a diversion of food, by the help of the railways, themselves entailing taxation on the well-to-do, from the mouths of the natives to those of foreigners. As it is, the wages received by the landless classes are said in the case of tens of thousands, nay even millions, to be insufficient to supply more than half rations all through the year. It is perfectly absurd for English politicians like Mr. Fowler, to compare India with America. In India the people are already there, in America you want to bring people to the land. Where population, as in many parts of India, is as dense * as 500 to the square mile, while in America it is only 35 per square mile, even in the thirteen original States, it is obvious that all arguments drawn from such a comparison are as worthless as analogies applied to our earth by the man in the moon.

The above considerations prove conclusively to my mind that the wheat which comes into the market is that part of the total out-turn which has to be sold to pay rent and taxes, and buy clothes, and, if there were no railways and no large home-remittances† to be paid, it would remain on the spot, and be there exchanged for services, or stored

vator and family take at least 2700 lb., the labourer will get in cash or kind another 1000 lb. This is about the yield of four acres. Clothes and salt tax will be paid by one acre of wheat. The other four will have to provide bullocks' fodder, seed, plough, wells, stores, village fees, &c. The one acre of valuable crop will pay rent and rates.

* It is always found in India that density of population, up to three acres a family, adds to the fertility of the soil, as dung and night-soil are more carefully utilized, but the denser population necessarily consumes more food, and as the jungle is cleared, the cattle require a larger proportion of the coarser grains, and the ashes of the dung burnt as fuel are not quite as good for the soil as the dung itself. The cattle certainly deteriorate from want of pasture.

† The home remittances by Government now amount to over £20,000,000 a year—there are besides the private remittances—and as they are really paid in kind, the Government of India is directly interested in stimulating the export trade so as to appreciate the rupee. Hence its interests are opposed to those of the landless classes, who wish to keep the food to eat. Ten years ago, when the Government spent more on railways and paid its home debts out of capital, there was not the same necessity for large exports of wheat; there was more effective demand for food. Sir C. Gavan Duffy has recently pointed out that during the Irish famine of 1846, large supplies

against a year of famine. Rents and land tax might be lower, and would, as well as wages, be perhaps more extensively paid in kind, the landless classes would find the price of food lower, and the carrying trade would be conducted by the natives, while the weavers would be able to work up the cotton into clothes. The latter might be slightly more expensive, though more durable, but pauperism would be diminished, and civilization more varied. And, if good roads were made, the surplus agricultural population would be able to move off to less crowded districts. As it is, railways carry off the crops, but leave the mass of the people behind, and even in time of famine it is by *road* and not by *rail* that the migration of men and beasts takes place.

To sum up the chief economic results of railways in India, it may be said that they have accelerated the destruction of some of its most famous industries, and have thereby thrown upon the already crowded soil tens of thousands of weavers, who used to augment the agricultural capital; they have at the same time considerably raised the price of food by bringing the capitalist face to face with the Indian landless labourers, and though they have, during the period of their construction, led for a short time to the formation of a fresh wage-fund, yet, when completed, they have left the wage-earners the victims of higher prices in a glutted labour market.* And these great economic changes have brought with them great social and moral changes, which are superficially regarded as the signs of advancing civilization, but which, when viewed from within, are seen to carry with them the seeds of decay, if not disaster. For under the pressure of irresistible forces the one form of organisation which had for centuries remained stable amid the shocks of chance is beginning to dissolve. Unlimited competition is tearing out with its ruthless talons the very heart of co-operative village life; and the Indian Government has in vain attempted to stop its action by the aid of rent-laws. This is what the Famine Commissioners write:—"From all quarters it is reported that the relations between "the landlord and the tenant with occupancy-rights are not in a

of wheat—the potato crop alone failed—were leaving the country to pay the rents of absentee landlords. The same occurs in India, as it has to pay a large part of its home debts in grain.

* Supposing in the next ten years £40,000,000 were spent in opening up some Indian districts by railways, though the labourers might for ten years receive more wages, at the end they would find a suddenly lessened wage-fund and doubled prices, while hand-loom weaving would perish. Then in a year of scarcity gigantic relief works would be started, and the landowners would have the land tax squeezed out of them as a poor rate. Who would eventually gain? Obviously the English investor by his guaranteed interest and the Indian Government by its enhanced land tax, the producer losing by taxation what he gains by higher prices.

“satisfactory state, and are becoming yearly more and more hostile ; “so much so that a landlord will generally refuse any aid to his “occupancy tenants when they are in difficulties, and will do all “that he can to ruin them and drive them from the land.” In short, the village land system is getting undermined from two sides, from above as well as from below. The smaller gentry, whose superfluous members used in old days to find occupation as soldiers, retainers and officials, and send remittances home, are now obliged, with growing numbers, to live on the rents of their lands, and even to cultivate them themselves, thereby making the demand for land still more keen. While the bigger land-owners, finding themselves deprived of administrative work, have a tendency to live useless lives away from the tenantry in the larger towns, and, like absentees* all the world over, are, especially where the land tax presses heavily, becoming rack-renters, and so forcing the tenants into debt. And lastly, the soil which is the scene of an ever intenser struggle for existence, at times actually breaking out into civil war, is itself at the mercy of the Supreme Government, which by its land-tax, assessed about every thirty years, where there is no permanent settlement, and by local cesses imposed from time to time on permanently and temporarily settled districts alike, practically enjoys an all-embracing monopoly in land, and fixes the reward of labour. As supreme landlord it commands the source of all wealth, and as the regulator of the chief carrying trade of the country it controls its distribution. It may be asserted without fear of contradiction that no Government, since history began, ever held such awful powers of life and death. Parliament by its abolition of the cotton duties boasts of having given India complete Free Trade. Free Trade, indeed ! when India is bound hand and foot and delivered over to the Indian Government and the English capitalist to do with it what they list. At no period, since we have any record of Hindu civilization, has India had so little freedom of trade in the true meaning of the term. Let us, if we will, candidly confess that India is in the position of a conquered country and must be treated as such, so far as we dare, but let us at least give up our hypocritical talk about the development of its resources as tending to the enrichment of the peasantry. The class of natives that is most benefited by the foreign trade is that of the middlemen, but the

* A recent writer in *The Calcutta Review* (Oct., 1883) has pointed out that the severe action of the revenue authorities in Orissa at the beginning of this century ruined the old landed gentry, whose land was taken by absentee Bengali zemindars, and their place by foreign money-lenders. Hence rents were spent outside the district, local works got neglected, and at last came the famine of 1866 on a depleted and inaccessible province.

chief gainers are the English railway investors, the ship-owners, the iron-masters and the cotton-spinners, and last but not least the Indian Bureaucracy. At the annual Financial Statement in the House of Commons we are always told that a large part of the Indian revenues are not taxation but rent, railway receipts, and the like. But any one who has carefully examined the methods by which the land revenue has been assessed in India will hardly fail to come to the conclusion that in many districts, especially where the soil is inferior, as in parts of Bombay, or where population is dense and there are few openings for non-agricultural occupations, as in the N. W. P., the land revenue is a heavy land-tax, not to say a rack-rent, and, if rigorously and vigorously collected in years of scarcity, may by the depletion of grain-stores and bullion greatly intensify the sufferings of the peasantry, by turning what might be only a year of scarcity into one of actual famine. And as regards railway receipts it must never be forgotten that they pre-suppose the withdrawal from the natives of all the profits and part of the wages of the old carrying-trade, worth many millions a year. But surely it is easier for a country to bear a heavy taxation, if it is free to accumulate wealth than a lighter taxation, if its capacity for production and accumulation is curtailed on every side. There is one thing heavier than any taxation, and that is the destruction of industry, and the forcible diversion of the profits of trade from the pockets of natives to those of aliens. When a Government like that of the Moghuls encouraged* native arts and industries of every kind, and spent its revenues in the country, it was easy to raise a large revenue from the proceeds of such industries; but when a Government destroys industries and directly sends every year over £20,000,000 out of the country, how can it expect to raise the same amount of taxation without ever-increasing suffering? The whole burden of taxation is being more and more placed on the backs of the agricultural classes, while the land is getting more densely crowded, and in parts, owing to the

* One of the advantages of the East India Company's rule was its careful fostering of native manufactures, especially of the weaving kind, which at one time threatened the nascent English manufacturers. This was one of the reasons that led to the attacks of the English mercantile world. Since 1858 not only has the Indian Government not fostered native industries, but it has actually destroyed some, such as carpet-weaving, by the cheap and debased products of the jails—coarse weaving ought alone to be allowed—while silver-work has been much discouraged by the English import duties. The Indian Government has lately attempted to rectify both the wrongs by appealing to the principles of Free Trade, but the India Office in the one case and the Treasury in the other have treated the whole matter with contempt. (*See Official Papers.*) Ireland was treated in exactly the same way last century, and all the people thrown on the land. Hence, as in the case of India, the Land Question and Rent Acts. Native architecture is destroyed by the Public Works Department and its hideous structures.—*See article in Calcutta Review*, Oct., 1883, by F. S. Growse, C.I.E.

consumption of manure in the place of the old jungle-fuel, and the quickening of the cattle-disease by the salt-tax, is said to be deteriorating. It has been asserted by many people ignorant of the agricultural life of India, with its double crop system, its careful irrigation, and its laborious cultivation, that the Indian peasantry require instruction in the scientific agriculture of the West. But the more minutely the whole subject has been investigated by competent Anglo-Indian officers, the more clearly has it been shown that the native agriculturist, with his centuries* of traditional experience, has little to learn from the teaching of such mushroom growths as Cirencester, Downton, and Cooper's Hill Colleges. Indeed, the whole theory of developing the resources of India by Western skill and capital is based on a profound misconception. A country which either is or will be cultivated throughout its length and breadth on the *petite culture* principle, and is possessed of little mineral wealth, holds within itself, if allowed to pursue its own methods, all the means for making the best use of its natural wealth. All that is necessary for any Government to do is, to give every encouragement to its peasantry to invest their savings in the land, to foster every variety of industrial enterprise, to open up communications by road, river, and sea, leaving the natives to conduct the carrying trade as they think fit; and finally, to limit taxation to that amount which is required to preserve peace. But instead of contenting ourselves with this humble rôle, we have undertaken to play the part of an earthly Providence. We have a second time attempted to unite the functions of the trader and the sovereign, functions which have again and again since the time of Fox's East India Bill, been declared by the highest authorities to be incompatible, and have blinded ourselves as to the nature of our action by the phrase of "improved communications," forgetting the fact that railways are not like roads, open to all the natives for the profitable use of their cattle and carts, but are close trade monopolies owned by Englishmen. We have thus been guilty of the most drastic kind of State interference known to history, and that, too, in the case of a conquered country, where it is impossible for an alien bureaucracy, the units of which are continually being changed, to

* See Sir James Caird's book, "India: The Land and the People." Also, "Introduction to the Gazetteer of Oudh," by W. C. Bennett, now head of the Agricultural Department in the N. W. P. and Oudh. Also, "Statistical Papers Relating to India," 1853, and "Report on Cotton Growing." Sir J. Caird points out that sugar is a much more paying crop than opium, especially as the Government gets the larger share of the profits of the latter. But ryots who have once taken advances from the Opium Department are practically bound to go on cultivating it. Indigo is not so paying a crop as rice except to the planter, who forces the ryot to grow it on his own terms. See article in *Macmillan*, January, 1884.

foresee all the consequences of its action. Those who look merely at the superficial symptoms of the economic revolution which has been brought about in India may declare that the country is growing richer, happier, and more civilized; but those who examine more closely the conditions of native society can hardly fail to come to the conclusion that in the larger portion* of the Indian Empire the population is getting poorer, more unhappy, and less civilized. And the more the burden of this growing pauperism is felt, the greater will be the discontent with the Government that has imposed it, and the keener the temptation to the country to shake itself free of the heavy foreign debt that has been incurred without any demand or assent on its part. Can it then be prudent for the Indian Government to listen to the clamours of those commercial circles in England that are now urging it to increase its borrowings in the English market, and yet further augment its liabilities? Conservatives profess to look with alarm on the approach of Russia towards India. Are they willing to give her the chance of offering a splendid bribe to the natives in the shape of relief from foreign debts? Liberals profess to believe in the efficacy of Free Trade and free development. Are they going to force India to apply still further the doctrine of Protectionism to the carrying trade of the country, and to check the free play of indigenous forces? And, lastly, is the English nation, which will ultimately have to pay for any blunders in statesmanship, ready to sacrifice its Imperial responsibilities to the demands of individual self-interest? What India really requires is not the development of its resources by external capital, but the diversion of its revenues into internal channels. There ought to be the most thorough-going retrenchment in the public works and

* The largest amount of prosperity is to be found either in Bengal, which is protected by a Permanent Settlement, or in those districts, whether in the Central Provinces, the North-western Provinces, or the Punjab, where the land-tax is still low. I might instance Bareilly and Bulandsheer in the North-western Provinces, and Eastern Bengal. If the land-tax is much increased in such districts—and the Bengal Rent-act may lead to this result even in Bengal—there is certain to be a change for the worse. A Permanent Settlement for the whole of India is the one thing needed, but it must be *distinctly moderate*, and made with due regard to subordinate rights. It would conduce more than anything else to the stability of the Empire. One of the worst signs of the times is the increasing drunkenness of the peasantry. Whether it be the result of despair, or of dullness, or of demoralization it is difficult to say. Local Option ought to be granted to the village elders. As it is, the Government is tempted to regard the growth of its excise as a sufficient set-off against the increase of drunkenness. It is not naturally a Hindu vice. See article by F. Growse, *Calcutta Review*. Here again the exigencies of finance stop the way of reform. If the working of the Local Self-Government scheme is not carefully watched, it will be stifled by the Public Works and Education Departments, or starved by the Provincial Government's small doles. In that case the Local Committees will be forced to raise further rates or do nothing.

military establishments, and, above all, in the home remittances of all sorts, so that the country may be able to accumulate capital, now getting scarcer year by year. And if in the future there is a really popular demand for more railways, and native capitalists come forward, as they have done for some of the cheaper railway shares, then the public works policy may be again considered. But it is above all things necessary not to give a merely artificial and external stimulus to a long-settled status. Historians, whose ideas have been largely coloured by those of the governing classes, have depicted in strong colours the short-lived horrors of a popular revolution, but the permanent sufferings caused by a governmental revolution have for the most part been sketched with faint touches. And yet the latter type of revolution leads to more disastrous consequences than the former. The vital forces which in the one case are ever working towards a new social equilibrium, are in the other case not brought into play till the Government is itself overthrown. If India is to escape such a catastrophe, it can only do so by the Indian Government and the British Parliament showing more consideration than hitherto for native wants and ways. It is not more science, but more sympathy that is demanded of us by an ancient civilization like that of India. This is the lesson which may be read up and down the pages of British Rule in the East. All the well-recognized and splendid successes of our countrymen in dealing with Orientals are due to the observance, and all their less known, but none the less ignominious, failures, are due to the breach of this principle. Wherever we have superseded, instead of supervising, native officials and headmen, wherever we have poisoned the social organism with English reforms, instead of purifying it by the light of the best native traditions, there the seeds of demoralization and disaster have been sown broadcast. The wisest men in India are beginning to recognize this fact, but we in England are still oblivious of it, and especially in those points where commercial self-interest blinds our eyes. Just as the elaborate* judicial machinery of England,

* See *Times*' "Calcutta Telegram," of February 17th:—"A substantial grievance, pressing very severely upon civil suitors throughout India, but especially in Bengal, has been ably and clearly exposed by the Chief Justice. In a Minute submitted to the Government, Sir Richard Garth argues, first, that as a matter of justice to suitors the tax on litigation should be considerably reduced; and, secondly, that the form in which the tax is imposed—namely, by an *ad valorem* stamp fee on the institution of the suit—is both unwise and inconvenient. He shows that while the cost of Civil Courts in Bengal is estimated at £33,96,066 rupees annually, the total revenue to the Government from the stamp-fees charged on civil suitors in the provinces is nearly double the sum expended. And by an examination of the figures for the whole country, he proves that the civil suitors in India are now made to bear the burden, not only of the Civil Courts, but of all

and the individualistic land-tenure system of England have been imported into India, so have we pressed, and are now pressing on India our methods of carriage in the shape of railways, without ever asking ourselves whether the material and social conditions of India's agricultural life are such as to make them desirable.* Indeed, the very argument adduced for pressing them on India, through the guaranteed aid of an alien Government, is that the natives are not able to equip themselves spontaneously. But the very fact of their inability may be the clearest proof of the absence of any real need. Let us, before it is too late, take to heart the wise words of Goethe:—

“ Nothing is good for a nation but that which arises out of its own case and its own special wants, without a pish imitation of another, since what to one race of people of a certain age is a wholesome nutriment, may perhaps prove a poison for another. All endeavours, therefore, to introduce any foreign innovation, the necessity for which is not rooted in the core of the nation itself, are foolish, and all premeditated revolutions of the kind are unsuccessful, for they are without God, who keeps aloof from all such bungling.”†

the Criminal Courts also; besides contributing a surplus of about £100,000 for the benefit of the general public. The injustice of this is self-evident, and in many instances the present system amounts to an absolute denial of justice to the poor. The whole subject clearly demands careful and early consideration.”

* The following information is given by a recent *Times*' Calcutta telegram:—“ An official note on the subject of rupee loans, written by Mr. Westland, Comptroller-General, has been published in *The Calcutta Statesman*. The practical effect of the document is to show that by attempting to borrow in the Calcutta market instead of in London, the Government has thrown away a sum of £7,000,000 sterling out of £26,000,000 borrowed in the last ten years. Mr. Westland proves by figures that there is very little absorbing power in India, that the small margin in India is used only to tide over the time that intervenes between the issue of a loan in India and its gradual passage to England, and that India has been really depending upon the power of England to absorb her rupee loans, a power which unfortunately is beginning to fail. A more powerful or more telling indictment has seldom been brought against recent Indian financial administration.”

† *The Wisdom of Goethe*, by Professor Blackie. Mr. Fowler speaks of clumsy old bullock traffic by the side of “cheap” modern railways. He forgets that manure and milk are not yielded by an engine—a very important advantage for the peasantry—and that a bullock can be used in the field as well as on the road. Why should the Indian Government guarantee the English rather than the native carrying-trade? Why not give bounties to bullock-drivers and boatmen? The only answer is that they cannot make themselves heard in the British Parliament. When the Indian Government lately talked of giving a guarantee to a Bengal iron company, the English iron-masters were up in arms.

